

AUTHORIZATION TO 1) ENTER INTO A PURCHASE AND SALES AGREEMENT WITH METRA; 2) SUBMIT A DISPOSITION APPLICATION TO HUD FOR THE DISPOSITION OF CHA LAND; 3) EXECUTE A DEED TO CONVEY THE CHA LAND IN FEE SIMPLE TO METRA; AND 4) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING.

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to 1) Enter into a Purchase and Sales Agreement with Metra, subject to HUD approval; 2) Submit a Disposition Application to HUD for the disposition of CHA land; 3) Execute a deed to convey the CHA land in fee simple to Metra; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The Chief Housing Officer and Office of the General Counsel have completed all necessary due diligence to support submission of this initiative and recommend approval of this item accordingly.

CORPORATE GOAL #1

Reimagine final phase of the Plan for Transformation, coordinating public and private investments to develop vibrant, complete communities.

FUNDING: No Funding Required

GENERAL BACKGROUND

In April, 2013 Metra approached the CHA with an interest of purchasing adjacent vacant land located on the Harry Schneider Senior Apartments ("Schneider Apartments") development site. Historically, the vacant land has been used as a garden by the Schneider Apartments residents. Metra's original request was to purchase 33,348 SF of vacant land for the construction of a "kiss and ride" drop off location for Metra's new Union Pacific north line's Peterson and Ridge commuter train station. However, Metra has since revised its request to acquire CHA land and now desires to purchase 31,672 SF of vacant land. Improvements to the site will include a paved cul-de-sac, ADA parking, bike racks and outdoor seating. The site is bounded on the north by Ridge Avenue, on the south by Peterson Avenue, immediately west by the raised Chicago and Northwestern Railroad tracks.

Metra commissioned M.J. Carbone & Associates to appraise the value of the CHA vacant land. The original appraisal, drafted in July of 2013 estimated the highest and best as-is use (surface parking) value at \$1,000,106 or \$29.99/SF for 33,348 SF.

A subsequent update appraisal performed in December of 2013 estimated the highest and best as-is use (surface parking) value at \$1,110,146 or \$34.74/SF for 31,668 SF. A third review appraisal performed in February of 2014 and required by Metra estimated the highest and best as-is use (surface parking) value at \$1,110,100 or \$35.05/SF for 31,672 SF.

CHA commissioned Great Realty Advisors to appraise the value of the vacant land. The original appraisal, drafted in June 2013 estimated the highest and best use (mixed use) value at \$1,435,000 or \$43.03/SF for 33,352 SF.

A subsequent update appraisal performed in April of 2014 estimated the current market value at \$1,067,264 or \$32.00/SF for 33,352 SF.

A further subsequent update appraisal performed in May of 2014 estimated the current market value of \$1,013,504 or \$32.00/SF for 31,672 SF, adjusted for the smaller SF Metra intends to purchase, subject to HUD approval. On March 23, 2014 Metra offered \$1,110,000 or \$35.05/SF for 31,672 SF. The acceptance of this offer is the subject of this Board approval.

CHA held a community meeting with the Schneider Apartments residents on August 28, 2013, a meeting with the Central Advisory Council ("CAC") on May 6, 2014 and the Senior North LAC on May 23, 2014. CHA staff discussed the sale of the vacant land to Metra, the plans of the Peterson Avenue and Ridge Avenue train station and the relocation of the garden to the southern section of the site. Due to the fact that the proposed land disposition is to a unit of local government and the acreage being acquired by METRA is less than two acres , the HUD regulation requirement of "offer to purchase" by the affected residents and/or resident organizations is not applicable.

The CEO/President recommends approval to 1) Enter into a Purchase and Sales Agreement with Metra, subject to HUD approval; 2) Submit a Disposition Application to HUD for the disposition of CHA land; 3) Execute a deed to convey the CHA land in fee simple to Metra; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

RESOLUTION NO. 2014-CHA-65

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated June 11, 2014 entitled Authorization to 1) Enter into a Purchase and Sales Agreement with Metra, subject to HUD approval; 2) Submit a Disposition Application to HUD for the disposition of CHA land; 3) Execute a deed to convey the CHA land in fee simple to Metra; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners has reviewed the Board Letter dated June 11, 2014 entitled Authorization to 1) Enter into a Purchase and Sales Agreement with Metra, subject to HUD approval; 2) Submit a Disposition Application to HUD for the disposition of CHA land; 3) Execute a deed to convey the CHA land in fee simple to Metra; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.



Chicago Housing Authority
60 E. Van Buren
Chicago, IL 60605
312-742-8500
www.thecha.org